

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION

- and -

PACIFIC GAS AND ELECTRIC
COMPANY,

Debtors.

Case No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**SECOND INTERIM APPLICATION OF
MILBANK LLP FOR ALLOWANCE AND
PAYMENT OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES
INCURRED AS COUNSEL TO THE
OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR THE PERIOD FROM
JUNE 1, 2019 THROUGH SEPTEMBER 30,
2019**

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric
Company
☒ Affects both Debtors

* All papers shall be filed in the Lead Case,
No. 19-30088 (DM).

Re: Docket Nos.: 3659, 3959, 4291 and 4620

Objection Deadline: December 4, 2019,
at 4:00 p.m. (PT)

Name of Applicant:

Milbank LLP

Authorized to Provide Professional Services to:

Official Committee of Unsecured Creditors

Date of Retention:

April 29, 2019 *nunc pro tunc* to February 12,
2019

Time Period for which compensation
and reimbursement are sought:

June 1, 2019 through September 30, 2019

Amount of Compensation sought as actual,
reasonable, and necessary:

\$7,965,307.50

Amount of Expense Reimbursement sought
as actual, reasonable, and necessary:

\$274,206.05

Total Compensation and Expenses
Requested for Compensation Period:

\$8,239,513.55

1 This is a(n): ___ monthly X interim ___ final application

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3 This is the second interim fee application filed by Milbank LLP in these cases.

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Summary of Monthly Fee Statements for Compensation Period:

Filing	Period Covered	Requested		Approved/ Pending Approval		Holdback Fees (20%) Requested Fees
		Fees	Expenses	Fees (80%)	Expenses (100%)	
<i>Fifth Monthly Fee Statement</i>						
Docket No. 3659	6/1/19 - 6/30/19	\$2,068,600.25	\$61,397.77	\$1,654,880.20	\$61,397.77	\$413,720.05
Date Filed: 8/22/19						
<i>Six Monthly Fee Statement</i>						
Docket No. 3959	7/1/19 - 7/31/19	\$2,393,383.25	\$79,173.27	\$1,914,706.60	\$79,173.27	\$478,676.65
Date Filed: 9/20/19						
<i>Seventh Monthly Fee Statement</i>						
Docket No. 4291	8/1/19 - 8/31/19	\$1,987,907.75	\$56,717.98	\$1,590,326.20	\$56,717.98	\$397,581.55
Date Filed: 10/18/19						
<i>Eighth Monthly Fee Statement</i>						
Docket No. 4620	9/1/19 - 9/30/19	\$1,515,416.25	\$76,917.03	\$1,212,333.00	\$76,917.03	\$303,083.25
Date Filed: 11/8/19						
TOTALS:		\$7,965,307.50	\$274,206.05	\$6,372,246.00	\$274,206.05	\$1,593,061.50

Summary of Any Objections to Monthly Fee Applications: No objections were filed with respect to the Fifth, Sixth or Seventh Monthly Fee Statements. See Certificates of No Objection [Docket Nos. 3891, 4249 and 4681]. The objection deadline with respect to the Eighth Monthly Fee Statement is December 2, 2019.

1 UNITED STATES BANKRUPTCY COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION

4 In re:

5 PG&E CORPORATION

6 - and -

7 PACIFIC GAS AND ELECTRIC
8 COMPANY,

9 Debtors.

Case No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

10 SECOND INTERIM FEE APPLICATION OF MILBANK LLP
11 FOR ALLOWANCE AND PAYMENT OF COMPENSATION AND
12 REIMBURSEMENT OF EXPENSES INCURRED AS COUNSEL TO
13 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD
14 FROM JUNE 1, 2019 THROUGH SEPTEMBER 30, 2019

15 TO THE HONORABLE DENNIS MONTALI
16 UNITED STATES BANKRUPTCY JUDGE

17 Milbank LLP ("Milbank"), counsel to the Official Committee of Unsecured Creditors (the
18 "Committee") of PG&E Corporation and Pacific Gas and Electric Company (collectively, the
19 "Debtors") in the above- captioned chapter 11 cases (these "Chapter 11 Cases"), hereby submits
20 its second interim application (this "Second Interim Application"), seeking entry of an order
21 pursuant to: (i) sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532
22 (as amended, the "Bankruptcy Code"); (ii) Rule 2016 of the Federal Rules of Bankruptcy
23 Procedure (as amended, the "Bankruptcy Rules"); (iii) the *Order Establishing Procedures for*
24 *Interim Compensation and Reimbursement of Expenses for Professionals*, dated February 27, 2019
25 [Docket No. 701] (the "Interim Compensation Order"); (iv) the *Order Pursuant to 11 U.S.C.*
26 *Section 1103(a) and Fed. R. Bankr. P.2014 and 2016 Authorizing the Retention and Employment*
27 *of Milbank LLP as Counsel for the Official Committee of Unsecured Creditors Effective as of*
28 *February 12, 2019* [Docket No. 1766] (the "Retention Order"); (v) the United States Trustee's
Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses by

1 *Attorneys in Larger Chapter 11 Cases*, effective November 1, 2013 (the “U.S. Trustee
2 Guidelines”); (vi) the Bankruptcy Local Rules for the Northern District of California (the “Local
3 Rules”); (vii) the *Guidelines for Compensation and Expense Reimbursement of Professionals and*
4 *Trustees for the Northern District of California*, dated February 19, 2014 (the “Local Guidelines”
5 and together with the U.S. Trustee Guidelines, the “Fee Guidelines”); and (viii) the *Fee Examiner*
6 *Protocol for Chapter 11 Cases of PG&E Corporation and Pacific Gas and Electric Company*, filed
7 on October 24, 2019 [Docket No. 4473-1] (the “Fee Examiner Protocol”).

9 By this Second Interim Application, Milbank seeks the allowance, on an interim basis, and
10 payment (to the extent not previously paid) of: (i) compensation for professional services rendered
11 during the period from June 1, 2019 through and including September 30, 2019 (the
12 “Compensation Period”) in the aggregate amount of \$7,965,307.50, including amounts previously
13 held back pursuant to the Interim Compensation Order; and (ii) reimbursement of actual and
14 necessary expenses incurred by Milbank in connection with such services during the
15 Compensation Period in the amount of \$274,206.05. In support of this Second Interim
16 Application, Milbank respectfully states as follows:

18 **PRELIMINARY STATEMENT**

19 1. Filed in the aftermath of the horrific 2017 and 2018 wildfires in Northern
20 California, these Chapter 11 Cases represent one of the largest and most complex chapter 11 filings
21 in United States history. Given the often contentious and adversarial nature of these cases, the
22 Committee has undertaken its duties with two goals—to attempt to work consensually with all of
23 the various constituents to bring these cases to an expeditious conclusion, while at the same time
24 working to ensure that the various rights and ultimate recovery of the Committee’s unsecured
25 creditor constituency are protected. With those goals in mind, during the Compensation Period,
26 Milbank advised the Committee with respect to, among other things:
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- 1 • The bar date motions filed by the Debtors [Docket No. 1784] (the “Debtors’ Bar Date
2 Motion”), the Official Committee of Tort Claimants (the “TCC”) [Docket No. 2297] and
3 the Ad Hoc Group of Subrogation Claim Holders (“Subrogation Group”) [Docket No.
4 2044];
- 5 • The Debtors’ *Joint Chapter 11 Plan*, filed on September 9, 2019 [Docket No. 3841], the
6 latest iteration of which was filed on November 4, 2019 (the “Debtors’ Plan”) [Docket No.
7 4563];
- 8 • The first exclusivity termination motion [Docket No. 2741] (the “First Exclusivity
9 Termination Motion”) as well as a term sheet (the “AHC Term Sheet”) for a chapter 11
10 plan filed on June 25, 2019 by the Ad Hoc Committee of Senior Unsecured Noteholders
11 (“AHC”);
- 12 • The motion to terminate exclusivity [Docket No. 3147] filed on July 23, 2019 by the
13 Subrogation Group;
- 14 • The Debtors’ motion to approve their key employee incentive plan (“KEIP”) for their
15 employees [Docket No. 2664];
- 16 • The Debtors’ various motions to, among other things: (i) purchase directors and officers
17 insurance [Docket No. 2471] (the “D&O Motion”); (ii) provide mutual assistance to other
18 utilities [Docket No. 2588] (“Mutual Assistance Motion”); (iii) compensate their CEO
19 [Docket No. 2662]; and (iv) assume various leases and executory contracts;
- 20 • The Debtors’ motion (the “Estimation Motion”) [Docket No. 3091] to initiate the
21 estimation proceeding (the “Estimation Proceeding”) before the Northern District of
22 California (the “District Court”);
- 23 • The motions for protective orders filed by the Debtors [Docket No. 2459] and the TCC
24 [Docket No. 2419] with respect to certain discovery issues related to the Estimation
25 Proceeding;
- 26 • The motions of the TCC and Subrogation Group to lift the automatic stay [Docket Nos.
27 2904 and 2863] to allow the Tubbs Fire state court litigation to proceed;
- 28 • The second exclusivity termination motion [Docket No. 3940] (the “Second Exclusivity
Termination Motion”) and together with the First Exclusivity Termination Motion, the
“Exclusivity Termination Motions”) filed on September 19, 2019 jointly by the AHC and
TCC;
- The AHC and TCC’s *Joint Chapter 11 Plan of Reorganization* [Docket No. 4257] (the
“TCC/AHC Plan”); and
- Various retention applications filed by the Debtors and the TCC for, among other parties,
Angeion Group LLC, Trident, Morrison and Foerster, KPMG, Deloitte and Coblentz.

1 2. Milbank attorneys were significantly involved in analyzing and reviewing each of
2 the above referenced pleadings, as well as related materials, orders, objections and other pleadings.
3 Additionally, Milbank attorneys appeared on behalf of the Committee at all of the Debtors'
4 omnibus and telephonic hearings before the Bankruptcy Court, on the above listed motions and
5 applications, in addition to numerous other matters, as well as hearings before the District Court
6 with respect to the Estimation Proceeding. Milbank attorneys also participated in numerous
7 meetings, depositions and conferences with the Debtors, representatives of the other major case
8 constituents, Committee members and other unsecured creditors and drafted and filed on behalf of
9 the Committee numerous pleadings, including objections, statements, discovery requests, notices
10 and stipulations with respect to, among other things, the various motions and applications listed
11 above. In addition, Milbank litigators have also taken a leading role in all aspects of numerous
12 adversary proceedings, the Estimation Proceeding and certain proceedings before the CPUC and
13 FERC.
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16 3. All of these efforts have allowed the Committee to carry out its fiduciary
17 responsibilities to the Debtors' unsecured creditors. The professional services performed and
18 expenses incurred by Milbank were actual and necessary to preserve and maximize the value of
19 the Debtors' estates for the benefit of general unsecured creditors.
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21 4. In light of the size, complexity and nature of these cases, Milbank's charges for
22 professional services performed and expenses incurred are reasonable under the applicable
23 standards. Milbank respectfully requests that the Court grant this Second Interim Application and
24 allow interim compensation for professional services and reimbursement for expenses as requested
25 herein.
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BACKGROUND

5. Bankruptcy Filing. On January 29, 2019 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in this Court. The Debtors continue to manage and operate their businesses and properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these cases. On February 1, 2019 the Court entered an order consolidating these cases for procedural purposes only [Docket No. 207].

6. Creditors’ Committee. On February 12, 2019, the United States Trustee for the Northern District of California (the “U.S. Trustee”) appointed the Committee [Docket No. 409]. The Committee currently consists of the following nine members: (i) BOKF, N.A., as indenture trustee under unsecured bond indentures; (ii) The Davey Tree Expert Company, Davey Tree Surgery Company, and DRG, Inc.; (iii) Deutsche Bank National Trust Company and Deutsche Bank Trust Company Americas, as indenture trustee; (iv) G4S Secure Solutions (USA) Inc. and G4S Secure Integration LLC; (v) International Brotherhood of Electrical Workers, Local 1245; (vi) Mizuho Bank, Ltd.; (vii) NextEra Energy, Inc.; (viii) Pension Benefit Guaranty Corporation; and (ix) Roebbelen Contracting, Inc.

7. Jurisdiction. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue of the Chapter 11 Cases is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding under 28 U.S.C. § 157(b)(2). The statutory predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code.

8. Authorization for Milbank’s Retention. On April 3, 2019, the Committee filed its *Application to Employ Milbank LLP as Counsel to the Official Committee of Unsecured Creditors, Effective as February 12, 2019* [Docket No. 1208] (the “Retention Application”). In connection with the Retention Application, Milbank filed the *Declaration of Thomas R. Kreller in Support of Application to Employ Milbank LLP as Counsel to the Official Committee of Unsecured Creditors,*

1 *Effective as of February 12, 2019* (the “Kreller Declaration”) [Docket No. 1210]. On April 29,
2 2019, the Court authorized Milbank’s retention as counsel to the Committee. The Retention Order
3 provides that Milbank will be compensated on an hourly basis for services rendered to the
4 Committee and reimbursed for actual and necessary out-of-pocket expenses. This Second Interim
5 Application is Milbank’s second interim application for the payment of its fees and reimbursement
6 of its expenses as well the release of the twenty-percent holdback (the “Holdback”) maintained
7 during the Compensation Period. Milbank is not holding, and has not held, any retainer in
8 connection with these cases or work performed on behalf of the Committee.
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10 9. Fee Examiner. On May 28, 2019, the Court entered an order appointing Bruce A.
11 Markell as fee examiner (the “Fee Examiner”) in these cases [Docket No. 2267]. Subsequently,
12 the parties have agreed to the Fee Protocol. Milbank has provided certain information to the Fee
13 Examiner, including copies of pertinent receipts, as requested by the Fee Examiner so that he may
14 evaluate the reasonableness of certain expenses sought in this Second Interim Application.
15 Milbank is in the process of providing additional expense information to the Fee Examiner with
16 respect to certain information related to this Second Interim Fee Application as well.
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18 10. Status of Cases. The Debtors are continuing their operations as debtors in
19 possession. No disclosure statement has yet been filed, although the Debtors have filed the
20 Debtors’ Plan and the TCC and AHC have filed their TCC/AHC Plan, and these plans remain
21 pending.
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23 11. Monthly Fee Statements. In accordance with the Interim Compensation Order,
24 each Retained Professional (as defined therein) is required to file monthly fee statements. To the
25 extent there are no objections to a monthly fee statement, the relevant Retained Professional is
26 authorized to file a certification of no objection, after which the Debtors are authorized to pay such
27 professional eighty percent (80%) of the fees and one hundred percent (100%) of the expenses
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1 requested in such monthly fee statement. Interim Compensation Order ¶ 2(f). Pursuant to the
2 Interim Compensation Order, Milbank submitted the following monthly fee statements (each a
3 “Monthly Fee Statement”):

4 a. On August 22, 2019, Milbank filed its fifth fee statement for the period from June
5 1, 2019 through and including June 30, 2019 [Docket No. 3659] (the “Fifth Fee
6 Statement”). The Fifth Fee Statement sought: (i) compensation for services
7 rendered, in the amount of \$2,068,600.25; and (ii) reimbursement of actual and
8 necessary expenses incurred in connection with such services, in the amount of
9 \$61,397.77.

10 b. On September 20, 2019, Milbank filed its sixth fee statement for the period from
11 July 1, 2019 through and including July 31, 2019 [Docket No. 3959] (the “Sixth
12 Fee Statement”). The Sixth Fee Statement sought: (i) compensation for services
13 rendered, in the amount of \$2,393,383.25; and (ii) reimbursement of actual and
14 necessary expenses incurred in connection with such services, in the amount of
15 \$79,173.27.

16 c. On October 18, 2019, Milbank filed its seventh fee statement for the period from
17 August 1, 2019 through and including August 31, 2019 [Docket No. 4291] (the
18 “Seventh Fee Statement”). The Seventh Fee Statement sought: (i) compensation
19 for services rendered, in the amount of \$1,987,907.75; and (ii) reimbursement of
20 actual and necessary expenses incurred in connection with such services, in the
21 amount of \$56,717.98.

22 d. On November 8, 2019, Milbank filed its eighth fee statement for the period from
23 September 1, 2019 through and including September 30, 2019 [Docket No. 4620]
24 (the “Eighth Fee Statement”). The Eighth Fee Statement sought: (i) compensation
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1 for services rendered, in the amount of \$1,515,416.25; and (ii) reimbursement of
2 actual and necessary expenses incurred in connection with such services, in the
3 amount of \$76,917.03.¹

4 12. Milbank has not entered into any agreement, express or implied, with any other
5 party for the purpose of fixing or sharing fees or other compensation to be paid for professional
6 services rendered in the Chapter 11 Cases. No promises have been received by Milbank or any
7 member thereof as to compensation in connection with these cases other than in accordance with
8 the provisions of the Bankruptcy Code.

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10 **RELIEF REQUESTED**

11 13. By this Second Interim Application, Milbank seeks: (i) interim allowance and
12 award of 100% of the compensation for professional services rendered by Milbank, as counsel to
13 the Committee, during the Compensation Period in the amount of \$7,965,307.50;
14 (ii) reimbursement of actual and necessary expenses incurred by Milbank in connection with such
15 services during the Compensation Period in the amount of \$274,206.05; and (iii) the release of the
16 Holdback.

17
18 14. As stated in the certification (the "Kreller Certificate") attached hereto as **Exhibit**
19 **G**, which certifies Milbank's compliance with the Fee Guidelines, all of the services for which
20 compensation is sought herein were rendered solely for or on behalf of the Committee in
21 connection with these cases.

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26 ¹ The objection deadlines for the Fifth Fee Statement, the Sixth Fee Statement and the Seventh Fee
27 Statement expired on September 12, 2019, October 11, 2019 and November 11, 2019, respectively.
28 No objections were filed with respect to the Fifth, Sixth or Seventh Fee Statements, and a
Certificates of No Objection has been filed with respect to each [Docket Nos. 3891, 4249 and 4681,
respectively]. The objection deadline with respect to the Eighth Fee Statement (December 2, 2019)
has not yet passed, thus, the amounts requested therein have not yet been allowed. To date, no
objections have been filed with respect this fee statement either.

1 15. Pursuant to the Interim Compensation Order, Milbank has already received
2 payment for the Compensation Period in the total amount of \$3,710,157.84. Milbank seeks further
3 payment of \$4,529,355.71 pursuant to this Second Interim Application, which amount represents
4 the portion of Milbank's fees for legal services rendered and expenses incurred during the
5 Compensation Period not previously paid to Milbank pursuant to the Monthly Fee Statements.

6
7 16. The fees sought by this Second Interim Application reflect an aggregate of 7,801.30
8 hours of attorney and paraprofessional time spent and recorded in performing services to the
9 Committee during the Compensation Period, at a blended average hourly rate of \$1,021.02 for
10 both attorneys and paraprofessionals. The blended hourly rate for attorneys is \$1,048.71.

11 17. The fees charged by Milbank in these cases are billed in accordance with Milbank's
12 existing billing rates and procedures in effect during the Compensation Period. The rates Milbank
13 charges for the services rendered by its professionals in these cases generally are the same rates
14 Milbank charges for professional services rendered in comparable bankruptcy and non-bankruptcy
15 related matters. Such fees are reasonable based on the customary compensation charged by
16 comparably skilled practitioners in comparable bankruptcy and non-bankruptcy cases in a
17 competitive legal market.
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19 18. Copies of Milbank's invoices detailing the services rendered and expenses incurred
20 during the Compensation Period are attached to the Monthly Fee Statements, which have been
21 filed on the docket and furnished to the Debtors, counsel to the TCC, the U.S. Trustee and the Fee
22 Examiner. Milbank has provided the Fee Examiner and U.S. Trustee with the Monthly Fee
23 Statements in an electronic LEDES format Milbank believes is acceptable to these parties.
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25 19. Milbank has made every effort to ensure that this Second Interim Application
26 complies with the Fee Guidelines and Fee Protocol to the extent applicable.
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1 **SUMMARY OF PROFESSIONAL SERVICES RENDERED**

2 20. In the ordinary course of its practice, Milbank maintains written records of the time
3 expended by professionals and paraprofessionals in the rendition of professional services.² A chart
4 showing the name of each relevant professional or paraprofessional, each attorney's year of bar
5 admission, the aggregate time expended by each such professional or paraprofessional, the hourly
6 billing rate for each such professional or paraprofessional in effect during the Compensation
7 Period, and the amount requested for each such professional or paraprofessional is attached hereto
8 as **Exhibit A**. A schedule of the project categories and amounts for which compensation is
9 requested in each category is attached hereto as **Exhibit B**.

11 21. In the ordinary course of its practice, Milbank also maintains records of all actual
12 and necessary out-of-pocket expenses incurred in connection with the performance of professional
13 services, all of which are available for inspection. A detailed summary of the expenses incurred
14 during the Compensation Period is attached hereto as **Exhibit C**.

16 22. Milbank respectfully submits that the services that it has rendered on behalf of the
17 Committee during the Compensation Period were necessary and appropriate and have directly
18 contributed to the effective administration of these cases.

19 23. Annexed hereto as **Exhibit D** is a summary and comparison of the aggregate
20 blended hourly rates billed by Milbank's timekeepers in all domestic offices to non-bankruptcy
21 matters during the preceding fiscal year and the blended hourly rates billed to the Debtors during
22 the Compensation Period.

24 24. Milbank discussed its rates, fees, and staffing with the Committee at the outset of
25 its retention in these cases. Milbank provided the Committee with the *Budget for Milbank LLP*,
26

27 _____
28 ² Copies of these computerized records (as modified to address privileged and confidential matters)
have been filed on the docket with the Monthly Fee Statements and furnished to the Debtors, the
TCC, the U.S. Trustee, and the Fee Examiner.

1 *Counsel to the Official Committee of Unsecured Creditors of PG&E Corporation and Pacific Gas*
2 *and Electric Company for the Period from June 1, 2019 through September 30, 2019 (the*
3 *“Budget”)* and the *Staffing Plan for Milbank LLP, Counsel to the Official Committee of Unsecured*
4 *Creditors of PG&E Corporation and Pacific Gas and Electric Company, for the Period from June*
5 *1, 2019 through September 30, 2019 (the “Second Staffing Plan”)* attached hereto as **Exhibit E.**

7 The Committee is aware of the complexities of these cases, the many issues that need to be
8 addressed, the various disciplines involved, and that the staffing needs are dynamic and based on
9 a number of factors, many of which are unpredictable, including the activities of other parties in
10 interest in these cases. **Exhibit F** is a summary of fees and hours budgeted compared to fees and
11 hours billed. Lastly, **Exhibit G** is the Certification of Thomas R. Kreller, certifying certain matters
12 addressed in this Second Interim Compensation Order.

13
14 **Summary of Services Performed by**
Milbank by Project Code

15 25. The following summary of services rendered during the Compensation Period is
16 not intended to be a detailed description of the work performed. Rather, it merely highlights certain
17 project billing categories areas in which significant services were rendered by Milbank, as well as
18 identifies some of the issues Milbank was required to address. Detailed descriptions of the day-
19 to-day services provided by Milbank and the time expended performing such services in each
20 project billing category were attached as exhibits to the Monthly Fee Statements. Such detailed
21 descriptions demonstrate that Milbank was heavily involved in the performance of services for the
22 Committee on a daily basis, including night and weekend work, often under extreme time
23 constraints, to meet the needs of the Committee.

24
25 **Automatic Stay**
26 (Fees: \$250,373.00; Hours: 245.20)

27 26. During the Compensation Period, Milbank attorneys reviewed various motions
28 asking the Court to: (a) lift the automatic stay; (b) abstain from addressing certain matters; and/or

(c) find that the automatic stay did not apply, including those filed by, among others: (i) Wendy Nathan; (ii) Barbara and Robert Zelmer; (iii) NextEra Energy, Inc. and NextEra Energy Partners, L.P.; (iv) Adam Cronin; (v) Dan Clarke; (vi) Xiaotian Sun et al.; (vii) First Solar, Inc.; (viii) Philip Verwey Farms; and (ix) Valero Refining Company-California. In connection with the various stay motions, Milbank researched legal issues where necessary, drafted memoranda to the Committee regarding the issues raised therein, corresponded and worked with counsel to the Debtors to address and resolve any issues where possible, filed statements in support of the Debtors' position where appropriate, and appeared at hearings regarding those motions.

27. In addition to those motions, the TCC [Docket No. 2904] and Subrogation Group [Docket No. 2863] each filed lift stay motions to pursue the Tubbs Fire litigation before the San Francisco Superior Court ("State Court"). In response to those motions, after evaluating the relief requested with the Committee's other advisors and discussing the numerous issues implicated with the Committee, Milbank drafted and filed an objection to both motions and argued such objection before this Court [Docket No. 3101]. Ultimately, following a contested hearing, the Court granted the TCC's and Subrogation Group's motions [Docket Nos. 3643 and 3644] allowing the litigation in the State Court to proceed in tandem with the estimation process.

Bankruptcy Litigation
(Fees: \$633,513.50; Hours: 729.50)

28. During the Compensation Period, Milbank attorneys engaged in various litigation and discovery related activities in connection with: (i) the adversary proceeding initiated by the Debtors for a preliminary injunction against the FERC (Adv. Pro. 19-03003) and appeals; (ii) the Herdon class action (Adv. Pro. 19-0305); (iii) a number of discovery related requests and requests for a protective order associated with the Estimation Proceeding before the District Court;³ (iv) a

³ While much of the time associated with the Estimation Proceeding was included in the matter entitled "Wildfire Claims and Treatment" below, certain other entries were included in this category.

1 securities class action filed against the Debtors; and (v) reviewing discovery productions and
2 taking and participating in a number of depositions in connection with the Debtors' D&O Motion.

3 29. In connection with the above referenced actions, among other things, Milbank
4 attorneys reviewed the underlying pleadings, including motions and complaints, proposed orders
5 and correspondence to evaluate and address the potential impacts upon the Debtors and the
6 Committee, researched the relevant issues, diligenced factual issues, received and reviewed
7 discovery in connection with certain matters, drafted related memoranda for the Committee and
8 prepared and filed pleadings in support of the Committee's positions. In order to resolve certain
9 discovery disputes among the Debtors and the TCC, the Committee filed its statement with respect
10 to the motions filed by the Debtors and the TCC for protective orders [Docket No. 2652]. Also
11 with respect to the Estimation Proceeding, the Committee filed an objection [3507] to the TCC's
12 *ex parte* motion for an order preserving jury trial rights [Docket No. 3507]. Milbank attorneys
13 also worked with the other case constituents to ultimately resolve issues related to the sharing of
14 information in the BrownGreer database.
15
16

17 **Bar Date**

18 (Fees: \$114,067.00; Hours: 107.30)

19 30. The Debtors' Bar Date Motion was filed on May 1, 2019 along with proposed proof
20 of claim forms and notice procedures. On May 31, 2019, the TCC filed its own bar date motion
21 [Docket No. 2297] and objected to the Debtors' Bar Date Motion [Docket No. 2306]. The
22 Subrogation Group also filed a separate motion to approve its own proof of claim form [Docket
23 No. 2044]. After reviewing and analyzing the various motions, forms and notice procedures, the
24 Committee filed a statement in support of the Debtors' Bar Date Motion [Docket No. 2308], and
25 later, an objection to the TCC's bar date motion and retention application for Angeion [Docket
26 No. 2650]. The Committee also commented on the Debtors' proposed proof of claim forms and
27 proposed order (comments which were incorporated into the final drafts), conducted discovery,
28

1 attended depositions, reviewed related objections and other pleadings and reviewed
2 correspondence from the Debtors regarding their proposed bar date procedures and order. Milbank
3 attorneys also participated in the hearing with respect to the various bar date motions at which the
4 Debtors' revised bar date, notices and proof of claims were approved by the Bankruptcy Court on
5 July 1, 2019 [Docket No. 2806].
6

7 **Case Administration**
(Fees: \$155,765.50; Hours: 192.90)

8 31. During the Compensation Period, Milbank expended substantial time attending to
9 various case administrative matters, including among other things: (i) preparing and updating an
10 internal calendar of critical dates for the Committee; (ii) maintaining an internal task list to monitor
11 the status of pending matters; (iii) coordinating critical work streams among Milbank attorneys
12 and the Committee's various other advisors; and (iv) reviewing the docket for new pleadings and
13 distributing such filings to the Committee and its advisors along with summaries of such pleadings.
14 Milbank attorneys attempted to keep such administration matters to a minimum while at the same
15 time ensuring that all of the Committee's various activities were performed in the most expeditious
16 manner possible.
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19 **Plan of Reorganization**
(Fees: \$1,400,357.00; Hours: 1,250.30)

20 32. The AHC filed its first motion to limit exclusivity on June 25, 2019, which included
21 the AHC Term Sheet for a possible chapter 11 plan, and subsequently filed related commitment
22 letters in connection with the proposed plan [Docket No. 3024]. In response, the Committee filed
23 a statement in favor of lifting the Debtors' exclusivity so that a plan on the terms of the AHC Term
24 Sheet could be filed [Docket No. 2064]. Subsequently, the Subrogation Group also filed an
25 exclusivity termination motion [Docket No. 3147]. Following the filing of the AHC Term Sheet,
26 the Committee reviewed the proposed plan's various terms, the financing documents and
27 researched and analyzed numerous related confirmation issues. The Committee also worked with
28

1 various parties in an attempt to devise a competing plan schedule, and filed a statement to this
2 effect on August 12, 2019 [Docket No. 3517]. The Debtors filed the first iteration of their chapter
3 11 plan on September 9, 2019 [Docket No. 3841].

4 33. On September 19, 2019, after the TCC and AHC reached a settlement with respect
5 to the aggregate amount of wildfire claims, then jointly filed the Second Exclusivity Termination
6 Motion, seeking to terminate exclusivity and permission to file a joint plan based on a term sheet
7 included in the motion. Soon thereafter, on September 25, 2019, the Debtors filed a motion to
8 further extend their exclusive periods [Docket No. 4005] (the “Debtors’ Exclusivity Extension
9 Motion”). The TCC and AHC also filed an objection to the Debtors’ Exclusivity Extension
10 Motion.
11

12 34. Throughout this time, the Committee reviewed the various issues raised in the
13 Debtors’ Plan, the AHC Term Sheet, the Second Exclusivity Termination Motion and the various
14 objections filed in connection therewith. Such work culminated in the Committee filing a second
15 statement in support of terminating exclusivity [Docket No. 4049]. Following argument in front
16 of the Bankruptcy Court, during which the Committee’s counsel played a significant role, the
17 Court terminated the Debtors’ exclusivity so that the TCC/AHC Plan could be filed, and denied
18 the Debtors’ Exclusivity Extension Motion.
19

20 35. In connection with the various plans filed to date, during the Compensation Period,
21 the Committee has researched and analyzed a number of confirmation issues, including, but not
22 limited to, reinstatement, cram down, impairment and postpetition interest payable in a solvent
23 debtor case. Milbank attorneys held numerous meetings and calls with various parties with respect
24 to the various plans, drafted memorandum with respect to issues raised in the plans for
25 dissemination to the Committee, and participated in hearings before the Court with respect to the
26 plans and the Debtors’ exclusivity.
27
28

Communications with Client
(Fees: \$356,835.50; Hours: 333.30)

36. During the Compensation Period, in coordination with the Committee's financial advisors, Milbank attorneys spent a substantial amount of time coordinating, preparing materials (including meeting agendas, factual and legal memoranda, summaries, and presentations) for Committee meetings. In advance of such meetings, Milbank attorneys drafted memoranda for the Committee summarizing and providing analyses and recommendations with respect to each substantive matter that was scheduled for an upcoming hearing or was otherwise active. Milbank attorneys also drafted substantive memoranda on a number of various case topics, including, among other things: (i) the Debtors' Exclusivity Motions; (ii) the Debtors' Plan; (iii) the TCC/AHC settlement and TCC/AHC Plan; (iv) estimation procedures in light of the Estimation Proceeding; (v) lift stay issues; (vi) certain plan issues including various issues related to solvent debtors; and (vii) each of the Debtors' substantive motions.

37. Milbank attorneys also prepared for and participated in numerous calls and other communications, including via email, with individual Committee members and their counsel, as well as with the subcommittees established by the Committee, which include the: (i) Public Affairs Subcommittee; (ii) Business Operations Subcommittee; (iii) Wildfire Mitigation Subcommittee; and (iv) Wildfire Claims Subcommittee.

Communications with Unsecured Creditors
(Fees: \$55,193.00; Hours: 42.50)

38. During the Compensation Period, in accordance with the Committee's statutory duties under section 1102(b) of the Bankruptcy Code, Milbank attorneys responded electronically and telephonically to various inquiries received from the Debtors' unsecured creditors regarding these cases. Milbank also maintained frequent contact with advisors to major constituencies in these cases, including the Debtors, the TCC, the AHC and the Subrogation Group, to discuss open

1 issues and upcoming matters important to the Committee, communicate the Committee's positions
2 and seek mutually acceptable courses of action.

3 **Committee Meetings**
4 (Fees: \$554,937.00; Hours: 465.00)

5 39. Given the significant size of the Debtors' cases and the sheer amount of materials
6 that the Committee's advisors were tasked with handling, including multiple plans, substantial
7 settlements between the TCC and AHC and the Debtors and the Subrogation Group, each week
8 (and sometimes, on additional occasions) Milbank conducted a telephonic meeting with the
9 Committee. Milbank also conducted a number of in-person meetings with the Committee
10 (collectively, with all telephonic meetings, the "Committee Meetings"). During Committee
11 Meetings, Milbank attorneys discussed key issues with the Committee, including the upcoming
12 matters scheduled for hearing by the Court. Prior to such meetings, Milbank attorneys reviewed
13 pending matters requiring the Committee's attention and the underlying documentation and
14 coordinated advice with the Committee's other professionals. Milbank attorneys also drafted
15 agendas for all such meetings, and distributed pertinent information in advance to the Committee.
16 Thereafter, Milbank discussed each of these matters with the Committee, as well as individual
17 Committee members on separate occasions, and assisted the Committee in formulating a position
18 with respect to each matter. Milbank also provided Committee members with sometimes daily
19 update emails regarding the status of these cases.
20
21

22 **General Case Strategy**
23 (Fees: \$655,207.50; Hours: 606.70)

24 40. As Committee counsel, Milbank expended significant time organizing the
25 Committee by, among other things: (i) conducting numerous calls, both internally, with Milbank
26 attorneys, and externally, with the Committee's other professionals to discuss and analyze pending
27 motions and applications, as well as other tasks and projects; (ii) corresponding with the Debtors
28

1 and their advisors regarding various work streams and diligence items; and (iii) analyzing new
2 pleadings filed on the bankruptcy docket.

3 41. Further, on a weekly basis during the Compensation Period, Milbank attorneys led
4 advisors-only calls with the Committee's financial advisors to prepare for regular Committee
5 meetings and other matters. During such calls, the Committee's advisors discussed general case
6 strategy, issues that may be appropriate for special attention by the Committee and proposed
7 recommendations with respect to such issues. Also during the Compensation Period, Milbank
8 attorneys drafted minutes to memorialize the Committee's resolutions during Committee
9 meetings.
10

11 **Court Hearings**
12 (Fees: \$617,951.50; Hours 574.10)

13 42. During the Compensation Period, Milbank attorneys spent considerable time
14 preparing for and attending (either in person or telephonically) all significant hearings and Court
15 conferences in these cases and related adversary proceedings. Significant hearings were held with
16 regard to: (i) the bar date motions filed by each of the Debtors, the TCC and the Subrogation
17 Group; (ii) the Debtors' D&O Motion; (iii) the Debtors' Mutual Assistance Motion; (iv) the stay
18 relief motions filed by the TCC and Subrogation Group with respect to the Tubbs Fire; (v) the
19 Exclusivity Termination Motions; (vi) the Debtors' KEIP Motion; (vii) the Debtors' Motions
20 regarding CEO compensation [Docket No. 2662]; (viii) certain assumption motions, including the
21 Debtors' CPSI Agreement Assumption Motion [Docket No. 3176] and a motion to assume certain
22 environmental agreements [Docket No. 3581]; (ix) the Debtors' Estimation Motion; (x) numerous
23 retention applications filed by the Debtors; and (xi) numerous other motions by non-debtor parties
24 to modify or lift the automatic stay, among other matters.
25

26 43. Milbank attorneys communicated in advance of hearings with other parties in
27 interest, including the Debtors, the TCC, the Subrogation Group, the AHC and the U.S. Trustee
28

1 regarding the relief requested and any issues raised thereby, in an effort to consensually resolve
2 concerns prior to the applicable hearing. Given the nature of these cases, many matters went
3 forward during the Compensation Period on a contested basis, necessitating active Committee
4 participation to advance and protect the interests of its constituency. Moreover, because the issues
5 that arose implicated numerous nuanced areas of the law, the contribution of Milbank attorneys
6 spanning multiple specialties was necessary to properly represent the Committee.
7

8 **Non-Working Travel**
(Fees: \$147,304.00; Hours: 242.70)

9 44. Non-working travel time spent by Milbank attorneys traveling to and from
10 meetings, conferences, hearings and similar events in connection with Milbank's representation of
11 the Committee was either not billed or charged at 50% of such attorney's normal billing rate. Most
12 significantly, during the Compensation Period, Milbank attorneys were required to travel to and
13 from San Francisco on a regular basis – sometimes making multiple trips in a single week – for
14 court hearings, meetings with the Debtors and their respective advisors. Efforts were made to use
15 travel time productively, for performing work for the estates or for other client-related matters, but
16 this was not always possible or practicable.
17

18 **Retention/Fee Applications**
19 (Fees: \$281,283.00; Hours: 280.90)

20 45. During the Compensation Period, Milbank worked with the Committee and its
21 financial advisors to draft and/or finalize each professional's fee applications and exhibits thereto.
22 Specifically, Milbank prepared its own fee applications and assisted with the preparation of the fee
23 applications of FTI Consulting, Inc., as the Committee's financial advisor, Centerview Partners
24 LLC, as the Committee's investment banker, and Axiom Advisors, as the Committee's legislative
25 affairs consultant.
26
27
28

Wildfire Claims and Treatment
(Fees: \$1,706,552.00; Hours: 1,792.40)

46. Likely one of the most significant issues in the Debtors' cases will be the resolution and treatment of the various claims made by victims of the Northern California wildfires. During the Compensation Period, Milbank attorneys researched and addressed a host of issues for the Committee related to mass tort cases, including the claims estimation process and potential mechanisms or structures to address those claims and other liability issues. In addition, Milbank reviewed various issues related to the possible treatment of the wildfire claims.

47. Following numerous discussions among the Debtors, the Committee, the TCC and the Subrogation Group, the Debtors filed their Estimation Motion to establish the Estimation Proceeding so that the aggregate amount of wildfire claims might be determined for plan purposes. Milbank filed a statement in support of the creation of the Estimation Proceeding [Docket No. 3429], and the Estimation Motion was eventually approved by the Bankruptcy Court.

48. Milbank and the Committee's other advisors spent considerable time reviewing and discussing the issues to be raised in the Estimation Proceeding, as well as negotiating various discovery-related issues, including the sharing of claim information among the parties.

49. Milbank also drafted numerous memoranda regarding issues related to the wildfire claims, inverse condemnation and the proposed wildfire fund established by A.B. 1054, and filed a statement in support of the Debtors participation in the wildfire fund [Docket No. 3636]. Milbank also worked with the Committee's other advisors in researching and analyzing valuations for the Committee with respect to the aggregate amount of wildfire claims.

Employment Issues
(Fees: \$247,698.00; Hours: 228.70)

50. During the Compensation Period, the Debtors filed the KEIP Motion and CEO compensation motion as a means to incentivize and provide additional compensation to its employees and new CEO. Milbank conducted substantial diligence on the proposed terms of the

1 programs, prepared written analyses for the Committee, and engaged in extensive negotiations
2 with the Debtors for improved terms. When an acceptable compromise was not reached, the
3 Committee continued negotiations with the Debtors and participated in extensive discovery.
4 Eventually, the Committee reached a resolution with the Debtors for significant improvements to
5 be made to the KEIP, which the Court ultimately approved.

7 ALLOWANCE OF COMPENSATION

8 51. In light of the size and complexity of these Chapter 11 Cases, the professional
9 services rendered by Milbank required the expenditure of substantial time and effort by a large but
10 lean team of attorneys and a high degree of professional competence and expertise across multiple
11 specialties. It is respectfully submitted that the services rendered to the Committee were performed
12 efficiently, effectively and economically, and the results obtained to date have benefited unsecured
13 creditors and the Debtors' estates.

14 52. The interim allowance of compensation for services rendered and reimbursement
15 of expenses in bankruptcy cases is expressly provided for in Bankruptcy Code section 331:

16 ... any professional person . . . may apply to the court not more than once every
17 120 days after an order for relief in a case under this title, or more often if the court
18 permits, for such compensation for services rendered . . . as is provided under
19 section 330 of this title.

20 53. With respect to the level of compensation, Bankruptcy Code section 330(a)(1)(A)
21 provides, in pertinent part, that the Court may award to a professional person "reasonable
22 compensation for actual, necessary services rendered[.]" See In re Manoa Finance Co., 853 F.2d
23 687, 689 (9th Cir. 1988) (stating that section 330 authorizes reasonable compensation for certain
24 services and costs). Section 330(a)(3), in turn, provides that:

25 In determining the amount of reasonable compensation to be awarded to . . .
26 [a] professional person, the court shall consider the nature, the extent, and the value
27 of such services, taking into account all relevant factors, including –

28 (A) the time spent on such services;

1 (B) the rates charged for such services;

2
3 (C) whether the services were necessary to the administration of, or beneficial at
4 the time which the service was rendered toward the completion of, a case under
this title;

5 (D) whether the services were performed within a reasonable amount of time
6 commensurate with the complexity, importance, and nature of the problem, issue,
or task addressed;

7 (E) with respect to a professional person, whether the person is board certified or
8 otherwise has demonstrated skill and expertise in the bankruptcy field; and

9 (F) whether the compensation is reasonable based on the customary compensation
10 charged by comparably skilled practitioners in cases other than cases under this title.

11 11 U.S.C. § 330(a)(3). The clear Congressional intent and policy expressed by the statute is to
12 provide for adequate compensation to professionals in order to continue to attract qualified and
13 competent bankruptcy practitioners to bankruptcy cases. In re Fleming Cos., 304 B.R. 85, 92
14 (Bankr. D. Del. 2003) (“in enacting the Bankruptcy Code provisions which allow compensation
15 to attorneys, Congress sought to encourage qualified attorneys to develop bankruptcy expertise by
16 assuring that they would be compensated at the *same level* as their peers in other practice areas.”).

17
18 54. The total time spent by Milbank attorneys and paraprofessionals during the
19 Compensation Period was 7,801.30 hours and has a fair market value of \$7,965,307.50. As
20 demonstrated by this Second Interim Application and supporting exhibits, Milbank submits that
21 its services were rendered economically and without unnecessary duplication of efforts. In
22 addition, the work involved, and thus the time expended, was carefully assigned in consideration
23 of the experience and expertise required for each particular task. The compensation requested in
24 the Second Interim Fee Application is based on the customary compensation charged by
25 comparably skilled practitioners in cases other than cases under the Bankruptcy Code.
26
27
28

55. As reflected in this Second Interim Fee Application and the supporting documents, Milbank spent its time efficiently and without unnecessary duplication of time. Nonetheless, Milbank has voluntarily agreed to reduce its fees during the Compensation Period in the amount of \$907,093.75 (the “Voluntary Reduction”).⁴

EXPENSES

56. Bankruptcy Code Section 330 also authorizes “reimbursement for actual, necessary expenses” incurred by a retained professional. 11 U.S.C. § 330(a)(1)(B). “Once documented, ‘actual and necessary expenses’ are automatically reimbursable.” In re Wendy's of Montana, Inc., 111 B.R. 314, 315 (Bankr. N.D. Mont. 1988). Milbank seeks reimbursement for actual out-of-pocket expenses in connection with the rendition of the professional services to the Committee in the sum of \$274,206.05. The disbursements have been incurred in accordance with Milbank’s normal practice of charging clients for expenses clearly related to and required by particular matters. In accordance with section 330 of the Bankruptcy Code, Milbank seeks reimbursement only for the actual cost of such expenses to Milbank. Milbank charges for these expenses at rates consistent with those charged to Milbank’s other bankruptcy clients, which rates are equal to or less than the rates charged by Milbank to its non-bankruptcy clients. Milbank has minimized these expenses to the greatest extent possible. A detailed summary of the expenses is attached hereto as **Exhibit C**. Copies of supporting documentation for the out-of-pocket expenses (receipts, statements, invoices, etc.) will be provided to the Court, the U.S. Trustee and the Fee Examiner upon request.

57. Milbank's hourly billing rates do not include charges for photocopying, telephone and facsimile charges, computerized research, travel expenses, "working meals," secretarial overtime, postage and certain other office services, since the needs of each client for such services

⁴ Milbank reserves the right to seek allowance of all or a portion of such fees in connection with its final fee application or in advance thereof.

1 differ. Milbank believes that it is more appropriate to charge each client only for the expenses
2 actually incurred in performing services therefor.

3 58. Milbank seeks reimbursement at the following rates for the following expenses:
4 (i) ten cents (\$0.10) per page for photocopying; (ii) ten cents (\$0.10) per page for black and white
5 printing; and (iii) ten cents (\$0.10) per page for color printing. Milbank's charges for internal
6 duplicating are well below the \$.50 per page rate authorized by statute for copies made by the
7 clerks of the United States Courts. See 28 U.S.C. § 1914(b); Judicial Conference Schedule of Fees
8 n.4. Milbank currently does not charge for facsimile transmissions. Milbank has negotiated a
9 discounted transactional rate for computer assisted legal research. Milbank is not seeking
10 reimbursement of hourly fees of its secretarial services in this Second Interim Fee Application.
11 Further, in providing or obtaining services from third parties that are reimbursable by clients,
12 Milbank does not include in such reimbursable amount any costs of investment, equipment, or
13 capital outlay.
14

15
16 59. Throughout the Compensation Period, Milbank has been keenly aware of cost
17 considerations and has tried to minimize the expenses charged to the Debtors' estates.

18 **NO FEE SHARING; DISINTERESTEDNESS OF MILBANK;**
19 **NO PRIOR APPLICATIONS**

20 60. No agreement or understanding exists between Milbank and any other person for
21 the sharing of any compensation to be received for professional services rendered or to be rendered
22 in connection with these cases.

23 61. No prior application has been made in this or in any other Court for the relief
24 requested herein for the Compensation Period.

25 **RESERVATION OF RIGHTS**

26 62. Although every effort has been made to include all fees and expenses incurred
27 during the Compensation Period, some fees and expenses incurred during the period might not be
28

1 included in this Second Interim Fee Application due to delays caused in connection with the
2 accounting and processing of such time and expenses. Accordingly, Milbank reserves the right to
3 make further application to this Court for allowance of such fees and expenses incurred during this
4 Compensation Period but not included herein.

5 **NOTICE**

6
7 63. No trustee or examiner has been appointed in the Chapter 11 Cases. Pursuant to
8 the Interim Compensation Order, notice of this Application has been served upon: (i) the Debtors
9 c/o Pacific Gas & Electric Company, 77 Beale Street, San Francisco, CA 94105 (Attn: Janet
10 Loduca, Esq.); (ii) the attorneys for the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue,
11 New York, New York 10153 (Attn: Stephen Karotkin, Esq. and Rachael Foust, Esq.) and Keller
12 & Benvenuti LLP, 650 California Street, Suite 1900, San Francisco, CA 94108 (Attn: Tobias S.
13 Keller, Esq. and Jane Kim, Esq.); (iii) the Office of the United States Trustee for Region 17, 450
14 Golden Gate Avenue, 5th Floor, Suite #05-0153, San Francisco, CA 94102 (Attn: James L. Snyder,
15 Esq. and Timothy Laffredi, Esq.); (iv) counsel for the TCC, Baker & Hostetler LLP, 11601
16 Wilshire Boulevard, Suite 1400, Los Angeles, CA 90025-0509 (Attn: Eric Sagerman, Esq. and
17 Cecily Dumas, Esq.); and (v) counsel to the Fee Examiner, Scott McNutt, 324 Warren Road, San
18 Mateo, CA 94402 (Attn: Scott McNutt).

19 **CONCLUSION**

20
21 WHEREFORE, Milbank respectfully requests that the Court enter an order: (i) allowing
22 Milbank (a) interim compensation for professional services rendered as counsel for the Committee
23 during the Compensation Period in the amount of \$7,965,307.50; and (b) reimbursement of
24 expenses incurred in connection with rendering such services in the aggregate amount of
25 \$274,206.05, for a total award of \$8,239,513.55; (ii) authorizing and directing the Debtors to pay
26 (to the extent not previously paid in accordance with the Interim Compensation Order) to Milbank
27 \$4,529,355.71 which is an amount equal to the difference between (a) this \$8,239,513.55 award;
28

1 and (b) \$3,710,157.84, the total of all amounts that the Debtors have previously paid to Milbank
2 pursuant to the Interim Compensation Order for services rendered and expenses incurred during
3 the Compensation Period; and (iii) granting such further relief as is just and appropriate.
4

5 Dated: November 14, 2019

6 Respectfully submitted,

7 MILBANK LLP

8 By: /s/ Dennis F. Dunne

9 Dennis F. Dunne (admitted pro hac vice)

10 Samuel A. Khalil (admitted pro hac vice)

11 Gregory A. Bray

12 Thomas R. Kreller

13 *Counsel for the Official Committee of Unsecured*
14 *Creditors*
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EXHIBIT A
COMPENSATION BY PROFESSIONAL

The attorneys who rendered professional services in these Chapter 11 Cases from June 1, 2019 through September 30, 2019 (the “Fee Period”) are:

NAME OF PROFESSIONAL PARTNERS, COUNSEL & SENIOR ATTORNEYS:	DEPARTMENT	YEAR ADMITTED	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Paul Aronzon	Financial Restructuring	1979	\$1,540	35.20	\$54,208.00
William Bice	Global Project, Energy and Infrastructure Finance	1996	\$1,540 \$770*	110.80	\$170,632.00
Gregory Bray	Financial Restructuring	1984	\$1,540 \$770*	567.70 10.00	\$874,258.00 \$7,700.00
Dennis Dunne	Financial Restructuring	1991	\$1,540	243.70	\$375,298.00
Russell Kestenbaum	Tax	1999	\$1,540	12.90	\$19,866.00
Thomas Kreller	Financial Restructuring	1992	\$1,540 \$770*	183.20 10.20	\$282,128.00 \$7,854.00
Andrew Leblanc	Litigation	2000	\$1,540 \$770	265.00 85.70	\$408,100.00 \$65,989.00
Allan Marks	Global Project, Energy and Infrastructure Finance	1990	\$1,540	67.80	\$104,412.00
Michael Nolan	Litigation	1992	\$1,540	4.50	\$6,930.00
Alan Stone	Litigation	1988	\$1,540 \$770	184.60 25.40	\$284,284.00 \$19,558.00
Samuel Khalil	Financial Restructuring	2004	\$1,425	87.80	\$125,115.00
Manan Shah	Tax	2002	\$1,425	36.50	\$52,012.50
Craig Price	Financial Restructuring	2000	\$1,120	717.60	\$803,712.00
Samir Vora	Litigation	2007	\$1,120 \$560*	448.70 25.80	\$502,544.00 \$14,448.00

Lena Mandel	Financial Restructuring	1991	\$1,080	223.80	\$241,704.00
Total Partners, Counsel & Senior Attorneys:			\$1,320.85	3,346.90	\$4,420,752.50

NAME OF PROFESSIONAL ASSOCIATES:	DEPARTMENT	YEAR ADMITTED*	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
James Beebe	Tax	2011	\$995	30.40	\$30,248.00
Daniel Denny	Financial Restructuring	2005	\$995 \$497.50*	243.80	\$242,581.00
Yigal Gross	Alternative Investments	2015	\$995	4.10	\$4,079.50
Erin Dexter	Litigation	2014	\$920	395.30	\$363,676.00
Rachael Franzoia	Financial Restructuring	2013	\$920 \$460*	175.80	\$161,736.00
Ryan Hart	Global Project, Energy and Infrastructure Finance	2014	\$920	19.10	\$17,572.00
Matthew Koch	Financial Restructuring	2014	\$920	677.00	\$622,840.00
Parker Milender	Financial Restructuring	2014	\$920	35.70	\$32,844.00
Jordan Weber	Financial Restructuring	2015	\$920 \$460*	458.60 7.60	\$421,912.00 \$3,496.00
Kathryn Kincade	Global Project, Energy and Infrastructure Finance	2015	\$875	9.90	\$8,662.50
Chad Richards	Global Project, Energy and Infrastructure Finance	2015	\$875	44.70	\$39,112.50
Christina Skaliks	Tax	2015	\$875	27.10	\$23,712.50
Julie Wolf	Litigation	2016	\$875 \$437.5*	337.50 36.10	\$295,312.50 \$15,793.75
Emile Ayoub	Litigation	2017	\$830	6.00	\$4,980.00
James Donahue	Global Project, Energy and Infrastructure Finance	2016	\$830	9.30	\$7,719.00
Kavon Khani	Litigation	2017	\$830	464.40	\$385,452.00
Jesse Yoder	Financial Restructuring	2017	\$830	11.70	\$9,711.00
Adeola Adeyosoye	Financial Restructuring	2018	\$735	102.30	\$75,190.50
Julia Duke	Litigation	2018	\$735	95.60	\$70,266.00
Natalie Karl	Global Project, Energy and Infrastructure Finance	2017	\$735	5.30	\$3,895.50
Melanie Miller	Financial Restructuring	2018	\$735	47.80	\$35,133.00
Ben Nicholson	Litigation	2017	\$735	67.40	\$49,539.00
Luis Orengo	Litigation	2018	\$735	223.10	\$163,978.50
Henry Seeley	Global Project, Energy and Infrastructure Finance	2018	\$735	13.50	\$9,922.50

NAME OF PROFESSIONAL ASSOCIATES	DEPARTMENT	YEAR ADMITTED*	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Stephen Benz	Litigation	2019	\$595	14.80	\$8,806.00
Margherita Capolino	Litigation	2019	\$595	77.10	\$45,874.50
Michael Harman	Global Project, Energy and Infrastructure Finance	2019	\$595	14.70	\$8,746.50
Christopher Kim	Global Project, Energy and Infrastructure Finance	2019	\$595	6.70	\$3,986.50
Aaron Metviner	Financial Restructuring	2018	\$595	198.60	\$118,167.00
Ariella Stepanian	Global Project, Energy and Infrastructure Finance	2019	\$595	7.00	\$4,165.00
Julia Wu	Litigation	2018	\$595	238.60	\$141,967.00
			\$297.5*	41.90	\$12,465.25
Andrew Abell	Financial Restructuring	Not Yet Admitted	\$450	6.30	\$2,835.00
Total Associates:			\$829.49	4,154.80	\$3,446,378.00

NAME OF PARAPROFESSIONALS:	DEPARTMENT	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Angel Anderson	Litigation	\$350	7.10	\$2,485.00
Abayomi Ayandipo	Litigation	\$350	27.70	\$9,695.00
Jenifer Gibbs	Litigation	\$350	67.20	\$23,520.00
David McCracken	Litigation	\$350	21.10	\$7,385.00
Ishmael Taylor-Kamara	Financial Restructuring	\$300	4.70	\$1,410.00
Charmaine Thomas	Financial Restructuring	\$300	80.00	\$24,000.00
Ricky Windom	Litigation	\$300	37.40	\$11,220.00
Jacqueline Brewster	Financial Restructuring	\$290	12.90	\$3,741.00
Brandon Fiscina	Litigation	\$250	4.90	\$1,225.00
Cecelia Kim	Financial Restructuring	\$235	4.10	\$963.50

NAME OF PARAPROFESSIONALS:	DEPARTMENT	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Alejandro Mendoza	General	\$235	5.00	\$1,175.00
Marcin Grabysz	Practice Support	\$360	22.20	\$7,992.00
James Liles	Practice Support	\$635	5.30	\$3,365.50
Total Paraprofessionals and other non-legal staff:		\$327.69	299.60	\$98,177.00

PROFESSIONALS	BLENDED RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
TOTALS:			
Partners and Counsel	\$1,320.85	3,346.90	\$4,420,752.50
Associates	\$829.49	4,154.80	\$3,446,378.00
Paraprofessionals and other non-legal staff	\$327.69	299.60	\$98,177.00
Blended Attorney Rate	\$1,048.71	7,501.70	\$7,867,130.50
Total Fees Incurred	\$1,021.02	7,801.30	\$7,965,307.50

EXHIBIT B

COMPENSATION BY PROJECT CATEGORY

Project Category	Total Hours	Total Fees
00002 Asset Sales/363 Sales	16.90	\$16,050.50
00003 Automatic Stay	245.20	\$250,373.00
00004 Bankruptcy Litigation	729.50	\$633,513.50
00005 Bar Date	107.30	\$114,067.00
00006 Claims reconciliation/Objections	50.30	\$53,317.50
00007 Case Administration (Dockets updates, WIP and calendar)	192.90	\$155,765.50
00009 Plan of Reorganization	1,250.30	\$1,400,357.00
00010 Communications with Client	333.30	\$356,835.50
00011 Communications with Unsecured Creditors	42.50	\$55,193.00
00012 Committee Meetings	465.00	\$554,937.00
00014 Corporate Governance and Board Issues	169.10	\$183,268.00
00017 Executory Contracts/Lease issues	47.70	\$49,168.50
00018 General Case Strategy(includes calls with client and team calls and meetings)	606.70	\$655,207.50
00020 Court Hearings	574.10	\$617,951.50
00023 Non-Working Travel	242.70	\$147,304.00
00026 Regulatory, Political and Legislative	225.90	\$280,551.50
00027 CPUC	98.10	\$91,327.00
00028 FERC	19.10	\$21,337.00
00029 Retention/Fee Applications	280.90	\$281,283.00
00032 Subrogation Issues	82.70	\$93,250.00
00038 Wildfire Claims and Treatment	1,792.40	\$1,706,552.00
00039 Employee Benefits/Severance Issues	228.70	\$247,698.00
Total	7,801.30	\$7,965,307.50

EXHIBIT C

EXPENSE SUMMARY

Expense Category	Total Expenses
Airfreight/Messenger	\$1,336.99
Cab Fares/Local Transportation	\$13,185.72
Computerized Database Research	\$161,639.51
Filing Fees	\$2,475.79
Lodging	\$33,495.16
Meals	\$5,665.93
Photocopies/Printing	\$7,957.70
Telephone	\$5,846.33
Transcript Expenses	\$9,696.20
Travel	\$32,906.72
TOTAL	\$274,206.05

EXHIBIT D

CUSTOMARY AND COMPARABLE COMPENSATION DISCLOSURES

Category of Timekeeper	Blended Hourly Rate	
	Billed Firm-wide for preceding Fiscal year (FY2018) ¹	Billed June 1, 2019 through September 30, 2019
Partner	\$1,329.38	\$1,480.24
Counsel	\$1,053.49	\$1,103.47
Associate	\$753.07	\$829.49
Paralegal	\$281.10	\$327.69
Aggregated	\$869.72	\$1,021.02

¹ As requested in the U.S. Trustee Guidelines, the calculations in this column exclude members of Milbank's Financial Restructuring Group.

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EXHIBIT E
BUDGET AND STAFFING PLAN

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**BUDGET FOR MILBANK LLP AS
COUNSEL TO THE OFFICIAL
COMMITTEE OF UNSECURED
CREDITORS OF PG&E CORPORATION
AND PACIFIC GAS AND ELECTRIC
COMPANY FOR THE PERIOD JUNE 1,
2019 THROUGH SEPTEMBER 30, 2019**

- ☐ Affects PG&E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

** All papers shall be filed in the Lead Case, No. 19-30088 (DM).*

Date Retention Approved: April 29, 2019 *nunc pro tunc* to February 12, 2019

PROJECT CATEGORY	ESTIMATED HOURS	ESTIMATED FEES ¹
Administrative Expense Claims (00001)	10	\$10,576.10
Asset Sales/363 Sales (00002)	10	\$10,576.10
Automatic Stay (00003)	380	\$401,891.80
Bankruptcy Litigation (00004)	1,300	\$1,374,893.00
Bar Date (00005)	170	\$179,793.70
Claims Reconciliation/Objections (00006)	10	\$10,576.10
Case Administration (Docket Updates, WIP and calendar) (00007)	270	\$285,554.70
CCA and Aggregator Issues (00008)	45	\$47,592.45
Plan of Reorganization (00009)	1,900	\$2,009,459.00

¹ The estimated fees contained herein are calculated by multiplying the estimated hours by \$1,057.61, the average blended rate of the Milbank professionals and paraprofessionals working on these cases for the month of May 2019.

PROJECT CATEGORY	ESTIMATED HOURS	ESTIMATED FEES¹
Communications with Client (00010)	505	\$534,093.05
Communications with Unsecured Creditors (00011)	55	\$58,168.55
Committee Meetings (00012)	715	\$756,191.15
Committee Governance (00013)	125	\$132,201.25
Corporate Governance and Board Issues (00014)	225	\$237,962.25
Customer, Supplier and Vendor Issues (00015)	10	\$10,576.10
DIP Financing/Cash Management (00016)	5	\$5,288.05
Executory Contracts/Lease Issues (00017)	100	\$105,761.00
General Case Strategy (includes calls with clients and team calls and meetings) (00018)	925	\$978,289.25
Insurers and Insurance Claims (00019)	15	\$15,864.15
Court Hearings (00020)	1,050	\$1,110,490.50
Mediation and Alternative Dispute Resolution (00021)	10	\$10,576.10
Non-Bankruptcy Litigation (00022)	10	\$10,576.10
Non-Working Travel (00023)	410	\$433,620.10
Power Purchase Agreements (00024)	15	\$15,864.15
Reclamation/503(b)(9) Claims (00025)	10	\$10,576.10
Regulatory, Political and Legislative (00026)	415	\$438,908.15
CPUC (00027)	205	\$216,810.05
FERC (00028)	45	\$47,592.45
Retention/Fee Applications (00029)	350	\$370,163.50
Retention/Fee Application Ordinary Course Professionals (00030)	5	\$5,288.05
Schedules/Statements of Financial Affairs (00031)	5	\$5,288.05
Subrogation Issues (00032)	30	\$31,728.30
Tort Committee (00033)	10	\$10,576.10

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PROJECT CATEGORY	ESTIMATED HOURS	ESTIMATED FEES ¹
Tax Issues (00034)	10	\$10,576.10
Trust Structure, Corpus and Terms (00035)	5	\$5,288.05
U.S. Trustee (00036)	10	\$10,576.10
Adequate Assurance Issues (00037)	5	\$5,288.05
Wildfire Claims and Treatment (00038)	2,800	\$2,961,308.00
Employee Benefits and Severance Issues (00039)	415	\$438,908.15
TOTAL	12,590	\$13,315,309.90

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION

- and -

PACIFIC GAS AND ELECTRIC
COMPANY,

Debtors.

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**STAFFING PLAN FOR MILBANK LLP AS
COUNSEL TO THE OFFICIAL
COMMITTEE OF UNSECURED
CREDITORS OF PG&E CORPORATION
AND PACIFIC GAS AND ELECTRIC
COMPANY FOR THE PERIOD JUNE 1,
2019 THROUGH SEPTEMBER 30, 2019**

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric
Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Date Retention Approved: April 29, 2019 nunc pro tunc to February 12, 2019

CATEGORY OF TIMEKEEPER	NUMBER OF TIMEKEEPERS EXPECTED TO WORK ON THE MATTER DURING THE BUDGET PERIOD	AVERAGE HOURLY RATE ¹
Partners	14	\$1,488.86
Counsel	6	\$1,114.05
Sr. Associates (7+ years experience)	7	\$1,032.69
Associates (4-6 years experience)	13	\$904.15
Jr. Associates (1-3 years experience)	25	\$703.37
Paralegals	11	\$290.01
Staff Attorneys, Case Managers, and Specialists	9	\$359.72

¹ Milbank's hourly rates are subject to customary annual firm-wide adjustments in the ordinary course of business, notice of which adjustments shall be provided to the Committee and the U.S. Trustee.

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EXHIBIT F
**SUMMARY OF FEES AND HOURS BUDGETED
COMPARED TO FEES AND HOURS BILLED**

PROJECT CATEGORY	Budgeted Hours	Billed Hours	Budgeted Fees	Billed Fees
Administrative Expense Claims (00001)	10	0	\$10,576.10	0
Asset Sales/363 Sales (00002)	10	16.90	\$10,576.10	\$16,050.50
Automatic Stay (00003)	380	245.20	\$401,891.80	\$250,373.00
Bankruptcy Litigation (00004)	1,300	729.50	\$1,374,893.00	\$633,513.50
Bar Date (00005)	170	107.30	\$179,793.70	\$114,067.00
Claims Reconciliation/Objections (00006)	10	50.30	\$10,576.10	\$53,317.50
Case Administration (Docket Updates, WIP and calendar) (00007)	270	192.90	\$285,554.70	\$155,765.50
CCA and Aggregator Issues (00008)	45	0	\$47,592.45	0
Plan of Reorganization (00009)	1,900	1,250.30	\$2,009,459.00	\$1,400,357.00
Communications with Client (00010)	505	333.30	\$534,093.05	\$356,835.50
Communications with Unsecured Creditors (00011)	55	42.50	\$58,168.55	\$55,193.00
Committee Meetings (00012)	715	465.00	\$756,191.15	\$554,937.00
Committee Governance (00013)	125	0	\$132,201.25	0
Corporate Governance and Board Issues (00014)	225	169.10	\$237,962.25	\$183,268.00
Customer, Supplier and Vendor Issues (00015)	10	0	\$10,576.10	0
DIP Financing/Cash Management (00016)	5	0	\$5,288.05	0
Executory Contracts/Lease Issues (00017)	100	47.70	\$105,761.00	\$49,168.50
General Case Strategy (includes calls with clients and team calls and meetings) (00018)	925	606.70	\$978,289.25	\$655,207.50
Insurers and Insurance Claims (00019)	15	0	\$15,864.15	0
Court Hearings (00020)	1,050	574.10	\$1,110,490.50	\$617,951.50
Mediation and Alternative Dispute Resolution (00021)	10	0	\$10,576.10	0

PROJECT CATEGORY	Budgeted Hours	Billed Hours	Budgeted Fees	Billed Fees
Non-Bankruptcy Litigation (00022)	10	0	\$10,576.10	0
Non-Working Travel (00023)	410	242.70	\$433,620.10	\$147,304.00
Power Purchase Agreements (00024)	15	0	\$15,864.15	0
Reclamation/503(b)(9) Claims (00025)	10	0	\$10,576.10	0
Regulatory, Political and Legislative (00026)	415	225.90	\$438,908.15	\$280,551.50
CPUC (00027)	205	98.10	\$216,810.05	\$91,327.00
FERC (00028)	45	19.10	\$47,592.45	\$21,337.00
Retention/Fee Applications (00029)	350	280.90	\$370,163.50	\$281,283.00
Retention/Fee Application Ordinary Course Professionals (00030)	5	0	\$5,288.05	0
Schedules/Statements of Financial Affairs (00031)	5	0	\$5,288.05	0
Subrogation Issues (00032)	30	82.70	\$31,728.30	\$93,250.00
Tort Committee (00033)	10	0	\$10,576.10	0
Tax Issues (00034)	10	0	\$10,576.10	0
Trust Structure, Corpus and Terms (00035)	5	0	\$5,288.05	0
U.S. Trustee (00036)	10	0	\$10,576.10	0
Adequate Assurance Issues (00037)	5	0	\$5,288.05	0
Wildfire Claims and Treatment (00038)	2,800	1,792.40	\$2,961,308.00	\$1,706,552.00
Employee Benefits and Severance Issues (00039)	415	228.70	\$438,908.15	\$247,698.00
TOTAL	12,590	7,801.30	\$13,315,309.90	\$7,965,307.50

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EXHIBIT G
KRELLER DECLARATION

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION

- and -

PACIFIC GAS AND ELECTRIC
COMPANY,

Debtors.

Case No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**CERTIFICATION OF THOMAS R.
KRELLER REGARDING SECOND
INTERIM APPLICATION OF MILBANK
LLP FOR ALLOWANCE OF
COMPENSATION AND FOR
REIMBURSEMENT OF EXPENSES
INCURRED AS COUNSEL TO THE
OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR THE PERIOD FROM
JUNE 1, 2019 THROUGH SEPTEMBER 30,
2019**

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric
Company
☒ Affects both Debtors

* All papers shall be filed in the Lead Case,
No. 19-30088 (DM).

1. I am a partner in the Financial Restructuring Group of the firm Milbank LLP (“Milbank”), counsel to the official committee of unsecured creditors (the “Committee”) in these Chapter 11 Cases. I am admitted to the bar of the State of California.

2. I make this certification regarding the *Second Interim Application of Milbank LLP for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses Incurred as Counsel to the Official Committee of Unsecured Creditors for the Period from June 1, 2019 through September 30, 2019* (the “Second Interim Fee Application”). I am familiar with: (i) the *Order Pursuant to 11 U.S.C. §§ 331 and 105(a) and Fed. R. Bankr. P. 2016 for Authority to Establish Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 701] (the “Interim Compensation Order”); (ii) the *Guidelines for*

1 *Compensation and Expense Reimbursement of Professionals and Trustees for the Northern District*
2 *of California*, dated February 19, 2014 (the “Local Guidelines”); (iii) the *U.S. Trustee Guidelines*
3 *for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11*
4 *U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases*, effective November 1, 2013 (the “U.S.
5 Trustee Guidelines”); and (iv) the *Fee Examiner Protocol for Chapter 11 Cases of PG&E*
6 *Corporation and Pacific Gas and Electric Company*, filed on October 24, 2019 [Docket No. 4473-
7 1] (the “Fee Examiner Protocol” and collectively, the “Fee Guidelines”).

9 3. I have reviewed the Second Interim Fee Application and hereby certify that, to the
10 best of my knowledge, information and belief, it complies with the Fee Guidelines and the
11 applicable provisions of the Bankruptcy Code and the Bankruptcy Rules. The fees and
12 disbursements sought are billed at rates in accordance with those generally charged by Milbank
13 and generally accepted by Milbank’s clients. I certify that: (i) all of the services for which
14 compensation is sought in the Second Interim Fee Application were rendered for or on behalf of
15 the Committee solely in connection with the Chapter 11 Cases; and (ii) the Second Interim Fee
16 Application is being served on the Debtors, the TCC, the U.S. Trustee and the Fee Examiner in
17 accordance with the Interim Compensation Order. Additionally, I hereby certify that, in
18 accordance with the Interim Compensation Order, and in connection with preparing this Second
19 Interim Fee Application, Milbank has made a reasonable effort to comply with the U.S. Trustee’s
20 requests for information and additional disclosures set forth in the U.S. Trustee Guidelines. To
21 that end, Milbank specifically responds to certain questions identified in the U.S. Trustee
22 Guidelines as follows:

23 Question 1: Did Milbank agree to any variations from, or alternatives to, Milbank’s
24 standard or customary billing rates, fees or terms for services pertaining to
25 this engagement that were provided during the application period? If so,
26 please explain.

27 Answer: No.
28

1 Question 2: If the fees sought in the Second Interim Fee Application as compared to the
2 fees budgeted for the time period covered by the Application are higher by
3 10% or more, did Milbank discuss the reasons for the variation with the
 client?

4 Answer: The fees sought in the Second Interim Fee Application are
5 less than the fees budgeted for the time period covered by
 such application.

6 Question 3: Have any of the professionals included in the Second Interim Fee
7 Application varied their hourly rate based on geographic location of the
8 bankruptcy case?

9 Answer: No.

10 Question 4: Does the Second Interim Fee Application include time or fees related to
11 reviewing or revising time records or preparing, reviewing or revising
12 invoices?

13 Answer: The Second Interim Fee Application includes a small
14 amount of time and fees related to reviewing or revising time
15 records for privileged or confidentiality and preparing,
16 reviewing or revising invoices in connection with the
17 preparation of Monthly Fee Statements relating to the period
18 covered by this Second Interim Fee Application.

19 Question 5: Does the Second Interim Fee Application include time for fees for
20 reviewing time records to redact any privileged or other confidential
21 information?

22 Answer: Yes. See above.

23 Question 6: Does the Second Interim Fee Application includes any rate increases since
24 retention in these cases:

25 Answer: The Second Interim Fee Applications does not include any
26 rate increases since retention in these cases.

27 Question 7: Did the client agree when retaining Milbank to accept all future rate
28 increases? If not, did Milbank inform the client that they need not agree to
 modified rates or terms in order to have you continue the representation,
 consistent with ABA Formal Ethics Opinion 11-458?

Answer: The client did not prospectively approve such rate increases
 but was notified at the outset of the engagement that
 Milbank's hourly rates are reviewed and revised from time
 to time. In accordance with ABA Formal Ethics Opinion 11-
 458, Milbank also notified the Committee at the outset of the
 representation that it need not agree to any modified rates or

terms in order to have Milbank continue its representation of
the Committee.

/s/ Thomas R. Kreller
Thomas R. Kreller